

AARP

Arizona Corporation Commission

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**AZ CORP COMMISSION
ADVISORY STATEMENT ON APS RATE CASE**

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Good morning. My name is Jon Poston, and I am a member of AARP's Arizona Advocacy Network. We represent the interests of more than 741,000 Arizona residents age 50 and older. I want to thank and commend you today for giving the public this opportunity to comment on the APS rate case settlement. AARP's membership has a vested interest in ensuring that energy services are readily available for consumption and at prices that are just, reasonable and affordable. For this reason, public participation in this proceeding is extremely important, considering the overwhelming impact rising utility rates have on our daily lives.

As you well know, older Americans are particularly susceptible to extremes in temperature. We rely on the ability to heat and cool our homes for both our comfort and well-being. Any degradation in utility services can pose serious health concerns. Likewise, increases in energy rates can be especially devastating for those older Arizonians living on fixed and low-incomes. It is well understood that neither their incomes nor inflation increase as rapidly as the costs they pay for utility services.

Lower income older Americans, those making \$10,000 or less a year, may spend as much as 23% of their income for utility services. Too often, these families are forced to choose between risking their health and comfort by cutting back on energy expenditures and reducing spending for other basic necessities such as health care or property taxes. We do not consider this a viable option.

AARP has stood before prior members of this Commission with this information time and time again for more than two decades. It is now time for action. The Corporation Commission must take the lead in this matter once and for all.

Working with the utilities, and as necessary with the Governor, Legislature and the Department of Economic Security, we call on you to establish adequately funded low-income assistance programs for Arizona residents. These programs should automatically enroll low-income electric, natural gas, and telephone customers when they apply for other income-based financial assistance programs, such as Food Stamps, TANF, Medicaid and LIHEAP.

Finally, as to the rates, AARP Arizona believes that the proposed settlement represents appropriate treatment of the APS request, especially in regard to the inclusion of \$900 million in Pinnacle West Energy Corporation assets in rate base. AARP supports the settlement.

Thank you again for this opportunity to express our views.